

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

BIG LOTS, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-11967 (JKS)

(Jointly Administered)

Re: D.I. 1556, 2117

**CERTIFICATION OF COUNSEL REGARDING FOURTEENTH POST-CLOSING
DESIGNATION NOTICE**

Sophie Rogers Churchill, counsel to the above-captioned debtors and debtors in possession (the “Debtors”), Simon Fraser, counsel to Variety Stores, LLC (“Variety”), and Gregory Taylor, counsel for Gordon Brothers Retail Partners, LLC (together, “Counsel” for the “Parties”), certify as follows:

1. On January 2, 2025 the Court entered the *Order (I) Approving the Asset Purchase Agreement, (II) Authorizing and Approving the Sale of Certain of the Debtors’ Assets Free and Clear of All Claims, Liens, Rights, Interests, Encumbrances, and other Assumed Liabilities and Permitted Encumbrances, (III) Authorizing and Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief* [D.I. 1556] (the “Sale Order”).²

2. On February 28, 2025, pursuant to paragraph 43 of the Sale Order, the Debtors filed their *Notice of Fourteenth Post-Closing Designation Notice* with the Court [D.I. 2117] (the

¹ The Debtors in these cases, together with the last four digits of their respective employer identification numbers, are as follows: Great Basin, LLC (6158); Big Lots, Inc. (9097); Big Lots Management, LLC (7948); Consolidated Property Holdings, LLC (0984); Broyhill LLC (7868); Big Lots Stores - PNS, LLC (5262); Big Lots Stores, LLC (6811); BLBO Tenant, LLC (0552); Big Lots Stores - CSR, LLC (6182); CSC Distribution LLC (8785); Closeout Distribution, LLC (0309); Durant DC, LLC (2033); AVDC, LLC (3400); GAFDC LLC (8673); PAFDC LLC (2377); WAFDC, LLC (6163); INFDC, LLC (2820); Big Lots eCommerce LLC (9612); and Big Lots F&S, LLC (3277). The address of the debtors’ corporate headquarters is 4900 E. Dublin-Granville Road, Columbus, OH 43081.

² Capitalized terms not otherwise defined in this Certification shall have the meanings provided in the Sale Order.

“Designation Notice”). Among other things, the Designation Notice attached a list of twenty-two (22) of the Debtors’ unexpired leases of nonresidential real property that had been designated for assumption by the Debtors and assignment to Variety (the “Designated Leases”), and identified the landlord associated with each Designated Lease (together, the “Landlords”).

3. The Debtors served the Designation Notice on the Landlords as described in their claims agent’s Affidavit of Service [D.I. 2275]. Variety separately served its information regarding adequate assurance of future performance pursuant to section 365(f)(2)(B) of the Bankruptcy Code on the Landlords as described in Variety’s Affidavit of Service [D.I. 2279].

4. The Designation Notice attached, as Exhibit C, a form of *Order Pursuant to Sections 363 and 365 of the Bankruptcy Code Authorizing the Debtors-In-Possession to Assume, Assign and Sell Certain Non-Residential Real Property Leases* (the “Proposed Order”). Among other things, the Proposed Order provides for the assumption of the Designated Leases by the Debtors, the assignment of the Designated Leases to Variety, and the fixing of the Cure Costs for the Designated Leases at the amounts set forth on the schedule attached as Exhibit A to the Proposed Order (the “Lease Schedule”).

5. Certain of the Landlords have objected, either formally or informally, to one or more aspects of the relief set out in the Proposed Order with respect to their Leases. Variety and/or Gordon Brothers Retail Partners, LLC are engaging, or will engage, in discussions with these Landlords regarding potential resolution of their objections, as well as with certain other Landlords regarding the potential amendment of their Leases prior to assumption and assignment (together, these Landlords’ Leases are referred to herein as the “Unresolved Leases”). In response, the Parties have removed the Unresolved Leases from the Lease Schedule while negotiations with such Landlords are pending.

6. Pursuant to paragraphs 45 and 46 of the Sale Order, the fourteen (14) day period for the Landlords to file objections with the Court to the relief set out in the Proposed Order has expired, and the Parties now request that the Court enter the Proposed Order with respect to the revised Lease Schedule (the “Modified Lease Schedule”). Counsel certify that they have caused the Court’s main docket in these cases to be reviewed and no objection appears thereon relating to the Leases on the Modified Lease Schedule. Counsel to the Debtors understand from Variety’s counsel that they received no unresolved informal comments to the Leases on the Modified Lease Schedule.

7. Counsel notes that in the case of one particular Lease – for Store No. 5462 – after communicating with the applicable Landlord and consulting the Debtors’ records, the Parties have increased the Cure Costs from \$6,482 to \$26,993.48. The Modified Lease Schedule lists this increased figure as the Cure Costs for this Lease, and the Landlord and the Parties are in agreement with this increased figure. With this exception, the listings of the Cure Costs and other information for the Leases listed in the Modified Lease Schedule is unchanged from the original Lease Schedule.

8. The Proposed Order with the Modified Lease Schedule attached is attached to this Certification as **Exhibit A**. Counsel notes that in accordance with the Court’s comment at the March 12th status conference, the Parties have revised the second sentence of paragraph 7 to clarify that the Debtors will leave in place, as opposed to “abandon,” any property owned by a Landlord, and to remove the representation of the Debtors that they are unaware of any third parties with interests in the FF&E (as defined in the Proposed Order). Because the revision does not prejudice the Landlords, the Parties respectfully submit that the Proposed Order attached as **Exhibit A** may

be entered without the need for further solicitation of comment from the Landlords on the Modified Lease Schedule.

9. For the Court's reference, a redline comparison of the Proposed Order, with the Modified Lease Schedule, to the form originally filed with the Designation Notice is attached hereto as **Exhibit B**.

10. Accordingly, the Parties respectfully request that the Court enter the Proposed Order attached hereto as **Exhibit A** at its earliest convenience.³

Dated: March 19, 2025

COZEN O'CONNOR

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-and-

³ Counsel for the Parties respectfully submit that the instant Certification invokes the "automatic bridge order" of the Court's Local Rule 9006-2, and that the filing of this Certification automatically stays the applicable deadline under section 365(d)(4) of the Bankruptcy Code with respect to the CNO Leases pending the Court's acting on this Certification.

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